MONTANA LEGISLATIVE HISTORY

Chapter 312 19 93

Bill H 402 S _____ Original bill & history ____C

H. Committee on Taxation		S. Committee on Taxation	
Hearing Date(s) Feb 05	✓ C	Hearing Date(s) Mar 06	✓ C
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_____	____C	_____	____C
_____	____C	_____	____C
Date Out _____	____C		

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

to be spent only in the counties from [illegible]
and he left a chart showing how much money would be raised by his bill for each year, which constitutes part of these minutes. Ed Quinn, who represented the Anaconda Company appeared in support of the bill, stating he favors the concept of an indemnity trust fund and that House Bill five-hundred three (503) is a welcome alternative to a much higher House Bill ninety-seven (97). Jack Rehberg from Billings who represented the Montana Petroleum Assn. and Rocky Mountain Oil and Gas Association also testified in favor of the bill. There being no opponents present, Rep. Healy made brief closing remarks.

House Taxation February 9, 1993

A question-answer period then took place, and Chairman Watt reminded the committee that House Bill five-hundred three (503) has been assigned to a subcommittee for more detailed study along with the other coal taxation bills.

House Bill five-hundred thirty-two (532) sponsored by Thomas Towe was the next to be heard. The purpose of the bill is to equalize the rights of entry according to Representative Towe, by taxing minerals when they are sold. This bill passed in the House and Senate last session, but was vetoed by the governor because he claimed the cost of administering would be too high. There were no persons present to testify either in favor of or against the bill, so a question-answer period ensued. In that discussion it was brought that the actual dollar amount the state would realize was not known, but that it would be substantial. It was also determined that the process is so complicated that sometimes one person may own the land, another person may own the mineral rights, and someone else may actually own the right of entry.

Gorham Swanberg, chief sponsor of House Bill four-hundred seven (407) explained the bill as one that relates to the computation of license taxes as they pertain to Montana corporation license tax returns. The existing practice was at one time tested by a large Montana ranch and the supreme court ruled in favor of that ranch -- in other words they had found a loophole in that law which was never intended. The bill's purpose, therefore, is to

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revert back to the way the original law was intended with no loopholes. There was only one person present who testified in favor of the bill, although there were others who indicated support on the testimony sheets. The bill was actually drafted by the Department of Revenue, and Howard O. Vralsted appeared to represent them. His testimony was essentially the same as what Rep. Swanberg had said, but he further stated that the bill is to protect the state incase there are other organizations which might try to test the law again. A question-answer period then took place.

House Bill four-hundred eighty-nine (489) was the next to be heard. Chief sponsor, Michael Greely, explained it as relating to the corporation license tax by subjecting corporations to a tax on the basis of total net income. Because Representative Greely had another appointment he introduced Howard Vralsted from the Department of Revenue to answer any questions concerning the bill. Mr. Vralsted made brief comments, after which a brief question-answer period ensued. In that discussion, it was determined that the total net income would apply three factors, those being sales, payroll, and property.

The formal hearing concluded at 1:10, but Chairman Watt asked the members if they would wish to take action on any bills heard thus far. Gorham Swanberg moved that House Bill four-hundred eighty-nine (489) do pass. Before final action was taken, however, Thomas Towe stated that if the bill passed committee he would hope that it could be held for a few days incase there are further questions concerning it or amendments to be proposed. Representative Swanberg's motion passed unanimously, but the bill was held until such time as the committee sees fit to pass it out.

Gorham Swanberg then moved that House Bill four-hundred seven (407) do pass, which was carried unanimously, but House Bill 407 will also be held.

Lastly, Harrison Fagg moved that House Bill two-hundred forty-nine (249) do pass, which was seconded by John Healy, and the [illegible] unanimously.

March 6, 1973

The committee on Taxation met in Room 415 at 7:30 A.M. to consider bills already having had hearings. Roll call was taken and the meeting called to order by Senator Nees, Chairman.

Discussion was held on House Bill 530, the Hobby Farm Bill, with a motion by Senator McKeon seconded by Senator Bennett, that HB 530 be not concurred in. Voted and passed, McOmber voted no.

Discussion was held on House Bill 193, a bill being urged by the urban renewal people, with a motion by Senator Turnage that HB 193 be not concurred in. A substitute motion by Senator Klindt that HB 193 be carried over until next year. Motion seconded by Senator Vainio, voted and passed, Senator Turnage voting No.

Discussion was held on HB 334 with regard to amending. A motion was made by Senator Turnage, seconded by Senator Mathers to amend as on committee sheet. Voted and passed. A motion by Senator Mathers, seconded by Senator Turnage that HB 334 be concurred in as amended. Voted and passed.

House Bill 462 was discussed by the committee with a motion by Senator McKeon, seconded by Senator McGowan that HB 462 be concurred in. Voted and passed, Senator Broeder opposed.

Senate Bill 254 was discussed and a request made for reconsideration. A motion was made by Senator Vainio to hold this in committee until we see what is needed. A motion by Senator McOmber that we pass consideration of 254, seconded by Turnage, voted and passed, Senator Turnage voted no.

Representative Ulmer explained HB 314, and Mr. Vralstad, Dept. of Revenue spoke on the bill.

House Bill 407 was explained by Representative Swanberg to have the State corporation year end coincide with that of the federal.

House Bill 359 was explained by Representative Baeth, and Dean Zenneker, executive director of the Montana Board of County Commissioners also

Discussion was held on HB 314 and a motion by Senator McKeon, seconded by Senator Mathers that HB 314 be concurred in. Voted and passed.

Discussion was held on House Bill 359 with a motion by Senator McOmber seconded by Senator McKeon that HB 359 be concurred in. Voted and defeated. A motion to reconsider for the purpose of amending was made by Senator Turnage, seconded by Senator Broeder, voted and passed. A motion by Senator Turnage, seconded by Senator McKeon to strike subsection 3, section 1, lines 6, 7 and 8 on page 2 in their entirety. Voted and passed. A motion by Senator Turnage seconded by Senator McGowan that House Bill 359 be concurred in as amended. Voted and passed. Senator Mathers voted no.

Discussion was held on HB 407 with a motion by Senator McGowan seconded by Senator McKeon that HB 407 be concurred in. Voted and passed.

House Bill 375 was discussed by the committee with a motion by Senator McKeon that House Bill 375 be concurred in. Second by Senator Turnage, voted and passed.

Dan Mizner, discussed HB 193, and Mr. Gallager discussed the urban renewal people's desire to have this bill passed.

Hearings for Thursday, March 8 will be House Bills 58, 146, 433 and 519.

The meeting adjourned.

Senator Nees, Chairman

employment during pregnancy, and due to such pregnancy, and such disqualifications shall continue through the period of pregnancy unless claimant presents evidence of her physical ability to work at such employment. At any time after the seventh month of pregnancy a claimant, to establish eligibility, must present evidence of physical ability to work at such employment. Further, at any time during the first two (2) months following childbirth, a claimant, to establish eligibility, must present evidence of her physical ability to work at such employment. In any of the cases set forth hereinbefore, such evidence of eligibility must be in the form of certificate of a duly licensed physician that such claimant is physically able to work at her most recent employment, and such evidence must be presented as often as requested by the *division.*"

Approved: March 19, 1973.

CHAPTER NO. 370

An Act to Repeal Sections 84-1001 through 84-1010, R.C.M. 1947, Relating to a Tax on Production of Carbon Black.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. Sections 84-1001 through 84-1010, R.C.M. 1947, are repealed.

Approved: March 19, 1973.

CHAPTER NO. 371

An Act Directing the State Board of Land Commissioners to Reconvey to the City of Butte Certain Land in the City of Butte; and Providing an Effective Date.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. The state board of land commissioners is directed to reconvey the following described land to the city of Butte, for a consideration of one dollar ($1):

That portion of the SW¼ of Sec. 30, T.3.N., R.7.W., M.P.M. and more particularly described as follows:

Beginning at a point Six hundred forty-six feet (646'), South Zero degrees, Five minutes West (S 0° - 5'W) of the West one-quarter corner of said Section 30, along the West line of Section 30, and also the East right-of-way line of Rowe Road, thence South Thirty-two degrees, Twenty minutes East (S32° - 20'E) a distance of Six hundred fifteen and fifty-seven hundreths feet (615.57') more or less, along the East right-of-way line of Rowe Road, thence North Zero degrees, Five minutes East (N0° - 5'E) a distance of Five hundred-twenty-two and seventy-two hundredths feet (522.72'), thence South Eighty-nine degrees, Thirty-three minutes West (S89° - 33'W), a distance of Three hundred thirty feet (330') to the point of beginning, containing in all an area of approximately two (2) acres.

This land was purchased by the state of Montana from the city of Butte on October 2, 1959, as a part of land needed by the state for a national guard armory and which part is not now required by the national guard. The legislature finds that it is in the best interest of the state that the described land be conveyed back to the city of Butte for use in completion of the Stodden park development. Should said land not be utilized for park or recreational purposes in the future, said land shall revert to the state of Montana.

Section 2. This act is effective on its passage and approval.

Approved: March 19, 1973.

CHAPTER NO. 372

An Act Amending Section 84-1504, R.C.M. 1947, Relating to the Computation of License Tax, by Adopting the Federal Income Tax Taxable Year Used By Corporations as the Taxable Period For Montana Corporation License Tax Return Purposes; By Providing For One (1) Signature on Returns Instead of Two (2); By Providing Definitions of "Doing Business" and "Engaging in Business"; By Providing Language to Clarify the Terms "Gross Income" and "Net Income"; and Providing an Effective Date.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. Section 84-1504, R.C.M. 1947, is amended to read as follows:

"84-1504. **Computation of license tax—return of net income to be filed**—*definitions.* (1) The license fee shall be computed *on the basis of the corporation's total net income for the taxable period. The corporation's taxable period shall be its taxable year for federal income tax purposes. In the event a corporation changes its taxable year, it shall promptly notify the state department of revenue.*

(2) Every corporation, subject to the license fee imposed *under this chapter,* shall for each *taxable period* render a true and accurate return of its net income *for the taxable period* in the manner and form to be prescribed by the state *department of revenue,* and containing such facts, data and information as are appropriate and in the opinion of the state *department of revenue* necessary to determine the correctness of the net income returned and to carry out the provisions of this act. The return shall be signed by *one (1) of the following:* the president, *the* vice-president, the treasurer, *the* assistant treasurer, or chief accounting officer. If the corporation is reporting on a calendar year basis the return shall be filed with the *department of revenue* on or before the fifteenth day of May *following the close of the calendar year,* and if reporting on a fiscal year basis the return shall be filed with *the department* on or before the fifteenth day of the fifth month following the close of its fiscal year. Upon application a corporation shall be allowed an automatic extension of time for filing its return to the fifteenth day of the third month following the date prescribed for filing of its tax return. The application is to be made on such forms as the *department of revenue* shall prescribe. The *department of revenue* may grant an additional extension of time for the filing of a return whenever in its judgment good cause exists. *The terms "engaged in business" and "doing business" both mean actively engaging in any transaction for the purpose of financial or pecuniary gain or profit.* The term gross income means *all income recognized in determining the corporation's gross income for federal income tax purposes;* but shall include interest exempt from federal income tax. *No corporation is exempt from the corporation license tax unless specifically provided for under section 84-1501. Any corporation not subject to or liable for federal income tax but not exempt from the corporation license tax under section 84-1501 shall compute gross income for corporation license tax purposes in the same manner as a corporation that is subject to or liable for federal income tax according to the provisions for determining gross income in the federal internal revenue code in effect for the taxable year.* The term "net income" means the gross income of the corporation less the deductions *set forth in section 84-1502.*

(3) In cases wherein receivers, trustees in bankruptcy, or assignees are operating the property or business of a corporation subject to the license fee imposed by this act, such receiver, trustee, or assignee shall make the return in the same manner and form as such corporation is hereinbefore required to make return, and any license fee due on the basis of such returns made by the receiver, trustee, or assignee, shall be assessed and collected in the same manner as if assessed directly against the corporation of

whose business or property they have custody and control, and shall be paid by such receiver, trustee, or assignee out of the property of the company in his hands, prior to the claims of creditors or stockholders."

Section 2. This act shall apply to taxable years beginning on and after January 1, 1973.

Approved: March 19, 1973.

CHAPTER NO. 373

An Act Providing For Nonprofit Organizations to Establish Community Homes for the Developmentally Disabled, and Providing Authority to the Department of Institutions to Make Rules and Regulations for the Operation of the Homes.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. The legislative assembly, in recognition of the wide and varied needs of developmentally disabled persons and of the desirability of meeting these needs on a community level to the fullest extent possible, and in order to reduce the need for care in existing state institutions, establishes by this act a community developmentally disabled home program to provide facilities and services for the training and treatment of the developmentally disabled in family oriented residences and establishes a program to provide such homes through local nonprofit corporations.

Section 2. A community home for the developmentally disabled is a family oriented residence or home designed to provide facilities for two (2) to eight (8) developmentally disabled persons established as an alternative to existing state institutions. The number of developmentally disabled persons may not exceed eight (8) in such a community home, except that the department may grant written approval for more than eight (8), but not more than twelve (12) persons.

Section 3. (1) Nonprofit corporations or associations in any community may be formed or organized for the purposes of establishing a community home or homes for the developmentally disabled under this act and to receive services, facilities, and funds as the department of institutions and other governmental units may be authorized by law to provide.

(2) The department of institutions may also establish a community home or homes for the developmentally disabled under this act and receive services, facilities, and funds as the depart-